

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Elmer Township	County Oscoda
Fiscal Year End 3/31/06	Opinion Date 7/12/06	Date Audit Report Submitted to State 9/22/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

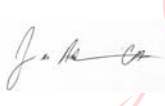
YES
NO

Check each applicable box below. (See instructions for further detail.)

- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
- ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
- ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
- ☒ ☐ The local unit has adopted a budget for all required funds.
- ☒ ☐ A public hearing on the budget was held in accordance with State statute.
- ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
- ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
- ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
- ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
- ☒ ☐ The local unit is free of repeated comments from previous years.
- ☒ ☐ The audit opinion is UNQUALIFIED.
- ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
- ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
- ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) James M. Anderson, P.C.		Telephone Number 989-563-2450		
Street Address P.O. Box 255		City Roscommon	State MI	Zip 48653
Authorizing CPA Signature 	<small>Digitally signed by James M. Anderson, CPA DN: cn=James M. Anderson, c=US, o=James M. Anderson, P.C., email=jma@m33access.com Date: 2006.09.22 11:38:56 -04'00'</small>	Printed Name James M. Anderson, CPA		License Number 1101017419

TOWNSHIP OF ELMER
OSCODA COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2006

TOWNSHIP OFFICIALS

Supervisor

Martin Galbraith

Clerk

Rosemary L. Hoffman

Treasurer

Sue Stenson

TRUSTEES

Nancy Miller

Richard Ellis

TOWNSHIP OF ELMER

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James M. Anderson, P.C.

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

July 12, 2006

Township Board
Elmer Township
Oscoda County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Elmer, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, each major fund activity, and the aggregate remaining fund information of the Township of Elmer, as of March 31, 2006, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of March 31, 2006.

The management's discussion and analysis on pages 2-7 and budgetary comparison information on pages 27-34 are not a required part of the basis financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in blue ink, appearing to read 'JMA', is written over the printed name of James M. Anderson.

JAMES M. ANDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANT

MEMBER MACPA and AICPA

TOWNSHIP OF ELMER MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Elmer Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2006.

Financial Highlights

- . The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$487,791 (*net assets*). Of this amount, \$263,015 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations.
- . The Township's total net assets decreased by \$44,308.
- . As of the close of the current fiscal year, the Township's general fund, reported an ending fund balance of \$197,590, an increase of \$12,403 in comparison with the prior year.
- . At the end of the current fiscal year, unreserved fund balance for the general fund was \$197,590 or 142% of total general expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1)Government-wide financial statements, 2)Fund financial statements, and 3)Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *Government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**TOWNSHIP OF ELMER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Both of the Government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, and highway & streets. The Township does not have any business-type activities as of and for the year ended March 31, 2006.

The Government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road, Cemetery Annex, Budget Stabilization and Hall Improvement Funds.

The Township adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements or schedules have been provided for the governmental funds herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 10-11 and 13-14 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**TOWNSHIP OF ELMER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-26 of this report.

Government-wide Financial Analysis

(Because the township is required to have an audit every other year, the following tables present only current year data.)

A portion of the Township's net assets (46%) reflects its investments in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

Township's Net Assets

	<u>Governmental Activities</u>
Current and Other Assets	\$ 263,015
Capital Assets, Net	<u>224,776</u>
Total Assets	<u>487,791</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	224,776
Unrestricted	<u>263,015</u>
Total Net Assets	<u><u>\$ 487,791</u></u>

**TOWNSHIP OF ELMER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

The Township's net assets decreased by \$44,308 during the current fiscal year. Unrestricted net assets - the part of net assets that can be used to finance day to day operations, decreased by \$26,421 or 9%, during the fiscal year ending March 31, 2006.

Township's Changes in Net Assets

	<u>Governmental Activities</u>
Revenue:	
Program Revenue:	
Charges for services	\$ 15,997
General Revenue:	
Property Taxes	32,441
State-Shared Revenues	98,043
Interest and other	<u>7,686</u>
Total Revenue	<u>154,167</u>
Expenses:	
General Government	89,290
Public Safety	15,043
Public Works	23,862
Highway and Streets	<u>70,280</u>
Total Expenses	<u>198,475</u>
Increase in Net Assets	(44,308)
Net Assets, Beginning of Year	<u>532,099</u>
Net Assets, End of Year	<u><u>\$ 487,791</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWNSHIP OF ELMER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$263,015, an decrease of \$26,421 in comparison with the prior year. The *undesignated fund balance*, which is available for spending at the Township's discretion, constitutes 100% of this total amount.

The primary governmental fund is the General Fund of the Township. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 142% of total general fund expenditures.

The fund balance of the General Fund increased by \$12,403 during the current fiscal year.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The budgeted funds are the General, Road, Cemetery Annex, Budget Stabilization and Hall Improvement Funds.

Capital Assets and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2006, amounted to \$224,769 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, and equipment. Additions totaled \$274 for the fiscal year.

**Township's Capital Assets
(net of depreciation)**

Land	\$ 16,757
Buildings and Improvements	171,994
Vehicles and Equipment	<u>36,018</u>
Total	<u>\$ 224,769</u>

Additional information on the Township's capital assets can be found in note F on page 24 of this report.

**TOWNSHIP OF ELMER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Factors Bearing on the Township's Future

The following factors were considered in preparing the Township's budget for the 2005-2006 fiscal year:

- . The State of Michigan has made significant cuts in their operating budgets due to a down turn of the economy. For 2005-2006, the Township received \$74,844 in state shared revenues, representing 49% of the revenues in the General Fund. The amounts of state shared revenues for future periods is uncertain and will affect the Township's budget.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Elmer Township
863 W. Kittle Road
Mio, MI 48647**

TOWNSHIP OF ELMER
STATEMENT OF NET ASSETS
MARCH 31, 2006

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash and investments	\$ 246,717
Receivables:	
Taxes receivable	3,846
Other Governmental Units	<u>12,452</u>
Total Current Assets	263,015
Non-Current Assets:	
Capital Assets - Net	<u>224,776</u>
Total Assets	<u>487,791</u>
 NET ASSETS	
Invested in Capital Assets, Net of Related Debt	224,776
Unrestricted	<u>263,015</u>
 Total Net Assets	 <u><u>\$ 487,791</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES					
General Government	\$ (89,290)	\$ 9,837	\$ -0-	\$ -0-	\$ (79,453)
Public Safety	(15,043)	-0-	-0-	-0-	(15,043)
Public Works	(23,862)	6,160	-0-	-0-	(17,702)
Highways & Streets	<u>(70,280)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(70,280)</u>
Total Governmental Activities	<u>\$ (198,475)</u>	<u>\$ 15,997</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(182,478)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purpose					32,441
State Shared Revenue not restricted to specific purposes					98,043
Investment Earnings and Other					<u>7,686</u>
Total General Revenues					<u>138,170</u>
Change in Net Assets					(44,308)
Net Assets - April 1					<u>532,099</u>
Net Assets - March 31					<u>\$ 487,791</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2006

	<u>General</u>	<u>Road</u>	<u>Cemetery Annex</u>
ASSETS			
Cash and investments	\$ 181,292	\$ 31,006	\$ 4,513
Taxes receivable	3,846	-0-	-0-
Due from other units of government	<u>12,452</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 197,590</u>	<u>\$ 31,006</u>	<u>\$ 4,513</u>
FUND EQUITY			
Fund balance	<u>\$ 197,590</u>	<u>\$ 31,006</u>	<u>\$ 4,513</u>
Total Fund Equity	<u>\$ 197,590</u>	<u>\$ 31,006</u>	<u>\$ 4,513</u>

The accompanying notes are an integral part of the financial Statements.

<u>Budget Stabilization</u>	<u>Hall Improvement</u>	<u>Totals</u>
\$ 20,000	\$ 9,906	\$ 246,717
-0-	-0-	3,846
-0-	-0-	12,452
<u>\$ 20,000</u>	<u>\$ 9,906</u>	<u>\$ 263,015</u>
<u>\$ 20,000</u>	<u>\$ 9,906</u>	<u>\$ 263,015</u>
<u>\$ 20,000</u>	<u>\$ 9,906</u>	<u>\$ 263,015</u>

TOWNSHIP OF ELMER
RECONCILIATION OF FUND BALANCES ON BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2006

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES \$ 263,015

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are
not current financial resources and therefore are
not recorded in the funds. This represents the
amounts by which capital assets used in governmental
funds exceeds accumulated depreciation. 224,776

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 487,791

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
 FUND BALANCE - GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Road</u>	<u>Cemetery Annex</u>
Revenues:			
Taxes and assessments	\$ 32,441	\$ -0-	\$ -0-
Intergovernmental	98,043	-0-	-0-
Charges for services	15,997	-0-	-0-
Interest	5,022	1,800	132
Other	<u>434</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues	<u>151,937</u>	<u>1,800</u>	<u>132</u>
Expenditures:			
General government	71,129	-0-	-0-
Public Safety	15,043	-0-	-0-
Public Works	23,862	-0-	-0-
Highways and streets	<u>-0-</u>	<u>70,280</u>	<u>-0-</u>
Total Expenditures	<u>110,034</u>	<u>70,280</u>	<u>-0-</u>
Excess:			
Revenue over (under) expenditures	<u>41,903</u>	<u>(68,480)</u>	<u>132</u>
Other financing sources (uses):			
Operating transfers in	-0-	29,500	-0-
Operating transfers (out)	<u>(29,500)</u>	<u>-0-</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>(29,500)</u>	<u>29,500</u>	<u>-0-</u>
Excess:			
Revenue and other financing sources over (under) expenditures and other Uses	12,403	(38,980)	132
Fund Balance - April 1	<u>185,187</u>	<u>69,986</u>	<u>4,381</u>
Fund Balance - March 31	<u><u>\$ 197,590</u></u>	<u><u>\$ 31,006</u></u>	<u><u>\$ 4,513</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Budget Stabilization</u>	<u>Hall Improvement</u>	<u>Totals</u>
\$ -0-	\$ -0-	\$ 32,441
-0-	-0-	98,043
-0-	-0-	15,997
-0-	298	7,252
-0-	-0-	434
-0-	298	154,167
-0-	274	71,403
-0-	-0-	15,043
-0-	-0-	23,862
-0-	-0-	70,280
-0-	274	180,588
-0-	24	(26,421)
-0-	-0-	29,500
-0-	-0-	(29,500)
-0-	-0-	-0-
-0-	24	(26,421)
20,000	9,882	289,436
<u>\$ 20,000</u>	<u>\$ 9,906</u>	<u>\$ 263,015</u>

TOWNSHIP OF ELMER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (26,421)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures. However in the statement of activities,
the cost of these assets are capitalized and
depreciation charged to expense over their useful
life.

(17,887)

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES

\$ (44,308)

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
STATEMENT OF FIDUCIARY NET ASSETS
MARCH 31, 2006

ASSETS	
Cash and Investments	\$ <u>4,648</u>
LIABILITIES	
Undistributed Collections	<u>4,648</u>
Total Liabilities	<u>4,648</u>
NET ASSETS	
Net Assets	\$ <u><u>-0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2006

REVENUES	
Property Tax Collections	\$ 434,199
Interest and Other Collections	<u>943</u>
Total Revenues	<u>435,142</u>
EXPENDITURES	
Property Taxes	434,601
Other	<u>541</u>
Total Expenditures	<u>435,142</u>
Excess of Revenues over Expenditures	-0-
Net Assets - April 1	<u>-0-</u>
Net Assets - March 31	<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE A: ENTITY

The Township of Elmer is a general law township of the State of Michigan located in Oscoda County, Michigan. It operates under an elected board and provides services to its residents in many areas including public safety, street development and maintenance, and general administrative services. As required by generally accepted accounting principles and governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present the Township of Elmer (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Elmer conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2005, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - And Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a Township-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports following major governmental funds:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Fund* is a special revenue fund used to account for revenues and expenditures relating to local road improvements financed by the Township and contracted out through the Oscoda County Road commission.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Township reports the following non-major governmental funds:

Hall Improvement
Budget Stabilization
Cemetery Annex

Additionally, the Township reports the following fund types:

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2005, are recorded as revenue in the current year. The Township's taxable value for the 2005 tax year totaled \$33,359,152.

The tax rates for the year ended March 31, 2006, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	.8505 mills per \$1,000

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure), is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

LONG-TERM OBLIGATIONS - In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Currently, the Township has no outstanding long-term obligations.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE C - CASH AND INVESTMENTS

The captions on the balance sheets related to deposits and investments are as follows:

	<u>Cash and Deposits</u>	<u>Investments</u>	<u>Total</u>
Government Activities	\$ 3,821	\$ 242,896	\$ 246,717
Agency funds	<u>4,610</u>	<u>38</u>	<u>4,648</u>
Total	<u>\$ 8,431</u>	<u>\$ 242,934</u>	<u>\$ 251,365</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$8,431 and the bank balance was \$9,956. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 100% of the total bank balance was covered by federal depository insurance.

The Government Accounting Standards Board Statement No. 3 risk disclosures for Elmer Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 8,431	\$ 9,956
Uninsured and Uncollateralized	<u>-0-</u>	<u>-0-</u>
Total Deposits	<u>\$ 8,431</u>	<u>\$ 9,956</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Michigan law and the Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Interest Rate Risk

The Township has not adopted a policy that indicates how the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Concentration of Credit Risk

The Township has adopted a policy that indicates that the Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Investments - Act 217, PA 20 of 1982, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Township's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Risk Categorized:					
Citizens Bank-Treasury					
Portfolio	\$ -0-	\$ -0-	\$ 213,934	\$ 213,934	\$ 213,934
National City Bank - MIF	-0-	-0-	29,000	29,000	29,000
Total Investments	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 242,934</u>	<u>\$ 242,934</u>	<u>\$ 242,934</u>

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

During the year ended March 31, 2006 the Elmer Township incurred expenditures in excess of the amounts appropriated as follows:

<u>Fund</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Township Assessor	\$ 14,000	\$ 15,817	\$ (1,817)
Cemetery	5,000	5,646	(646)
Other financing uses:			
Transfers out	2,000	29,500	(27,500)
Hall Improvement Fund:			
Hall improvements	-0-	274	(274)

NOTE E - DUE FROM OTHER UNITS OF GOVERNMENT

Due from other units of government consists of State revenue of \$12,452.

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2006 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 16,757	\$ -0-	\$ -0-	\$ 16,757
Total capital Assets, not being depreciated	16,757	-0-	-0-	16,757
Capital assets, being depreciated:				
Building and improvements	193,063	-0-	-0-	193,063
Vehicles and equipment	50,831	274	-0-	51,105
Total capital assets, being depreciated	243,894	274	-0-	244,168
Less accumulated depreciation for:				
Buildings and improvements	10,533	10,536	-0-	21,069
Vehicles and equipment	7,455	7,632	-0-	15,087
Total accumulated depreciation	17,988	18,168	-0-	36,156
Net capital assets, being depreciated	225,906	(17,894)	-0-	208,012
Net governmental activities capital assets	\$ 242,663	\$ (17,894)	\$ -0-	\$ 224,769

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 18,168

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE G- PARTIAL SELF-INSURANCE

The Township is a member of the Michigan Township Participating Plan. As a member of the Plan, the Township is partially self-insured for general and auto liability, motor vehicle physical damage and property loss claims. Under most circumstances, the municipality's maximum coverage is limited as follows:

<u>Type</u>	<u>Limit</u>	<u>Deductible</u>
Property	\$ 326,277	100
Liability	1,000,000	-0-
Errors and Omission	1,000,000	-0-
Automobiles	1,000,000	100
Crime	10,000	-0-
Inland Marine	16,000	100
Workmen's Compensation	STATUTORY	-0-

NOTE H - PENSION PLAN

Elmer Township provides pension benefits for the Township board and regular employees through a defined contribution plan. The eligible individuals may elect to participate in the Social Security system in lieu of participating in the pension plan. The plan is administered by Municipal Retirement Systems Inc. which invests the Township's contributions with the Gleaner Life Insurance Society.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

The Township contribution was 7.5% of the participant earnings. The plan does not allow participants to make contributions. The Township's contributions for each participant are fully vested when paid to the plan. A participant that leaves the employment of the Township is entitled to the balance in his individual annuity account.

The Township's total payroll for the year ended March 31, 2006, was \$38,576. The payroll of the eligible participants was \$25,620; the Township made the required contribution of \$1,950.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township.

The plan held no securities of the Township or other related parties during the year or as of the close of the fiscal year.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE I - JOINT VENTURE - FIRE PROTECTION

Elmer Township is a participant in a joint venture, Tri-Town Fire Department, with the Townships of Mentor and Big Creek for the purpose of providing fire protection services to the residents of the townships. The Tri-Town Fire Board is composed of the Supervisor of each of the three townships, two township board members from Big Creek Township and one township board member from each of Mentor Township and Elmer Township.

The Fire Department financial statements as of March 31, 2005 included the following:

The General Fund as of March 31, 2005 consisted of the following:

Cash and Investments	\$ 34,310
Fund balance	33,273

Activity for the year ended March 31, 2005 consisted of the following:

Revenues	\$ 94,569
Expenditures	104,179

Capital Assets net of depreciation totaled \$150,690.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF ELMER
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED MARCH 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes and assessments	\$ 26,000	\$ 26,000	\$ 32,441	\$ 6,441
Intergovernmental	90,000	90,000	98,043	8,043
Charges for services	10,100	10,100	15,997	5,897
Interest	1,000	1,000	5,022	4,022
Other	1,900	1,900	434	(1,466)
Total Revenues	<u>129,000</u>	<u>129,000</u>	<u>151,937</u>	<u>22,937</u>
Expenditures:				
General government	80,000	80,000	71,129	8,871
Fire	18,000	18,000	15,043	2,957
Public works	27,000	27,000	23,862	3,138
Capital outlay	2,000	2,000	-0-	2,000
Total Expenditures	<u>127,000</u>	<u>127,000</u>	<u>110,034</u>	<u>16,966</u>
Excess:				
Revenue over (under) expenditures	<u>2,000</u>	<u>2,000</u>	<u>41,903</u>	<u>39,903</u>
Other financing sources (uses):				
Operating transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(29,500)</u>	<u>(27,500)</u>
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>(29,500)</u>	<u>(27,500)</u>
Excess:				
Revenue over (under) expenditures and other financing uses	-0-	-0-	12,403	12,403
Fund Balance April 1	<u>185,187</u>	<u>185,187</u>	<u>185,187</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 185,187</u>	<u>\$ 185,187</u>	<u>\$ 197,590</u>	<u>\$ 12,403</u>

TOWNSHIP OF ELMER
ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR THE YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Interest	\$ 700	\$ 700	\$ 1,800	\$ 1,100
Total Revenue	<u>700</u>	<u>700</u>	<u>1,800</u>	<u>1,100</u>
Expenditures:				
Road improvements	<u>500</u>	<u>70,500</u>	<u>70,280</u>	<u>220</u>
Total Expenditures	<u>500</u>	<u>70,500</u>	<u>70,280</u>	<u>220</u>
Excess:				
Revenue over (under) expenditures	<u>200</u>	<u>(69,800)</u>	<u>(68,480)</u>	<u>1,320</u>
Other financing sources (uses):				
Operating transfers in	<u>2,000</u>	<u>2,000</u>	<u>29,500</u>	<u>27,500</u>
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>29,500</u>	<u>27,500</u>
Excess:				
Revenue and other financing sources over (under) expenditures	2,200	(67,800)	(38,980)	28,820
Fund balance (deficit)				
January 1	<u>69,986</u>	<u>69,986</u>	<u>69,986</u>	<u>-0-</u>
Fund balance (deficit)				
December 31	<u>\$ 72,186</u>	<u>\$ 2,186</u>	<u>\$ 31,006</u>	<u>\$ 28,820</u>

TOWNSHIP OF ELMER
CEMETERY ANNEX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR THE YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Interest	\$ 25	\$ 25	\$ 132	\$ 107
Total Revenue	<u>25</u>	<u>25</u>	<u>132</u>	<u>107</u>
Expenditures:				
Cemetery improvements	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Excess:				
Revenue over (under) expenditures	(975)	(975)	132	1,107
Fund balance (deficit) January 1	<u>4,381</u>	<u>4,381</u>	<u>4,381</u>	<u>-0-</u>
Fund balance (deficit) December 31	<u>\$ 3,406</u>	<u>\$ 3,406</u>	<u>\$ 4,513</u>	<u>\$ 1,107</u>

TOWNSHIP OF ELMER
HALL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR THE YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Interest	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 298</u>	<u>\$ 248</u>
Total Revenue	<u> 50</u>	<u> 50</u>	<u> 298</u>	<u> 248</u>
Expenditures:				
Hall improvements	<u> -0-</u>	<u> -0-</u>	<u> 274</u>	<u> (274)</u>
Total Expenditures	<u> -0-</u>	<u> -0-</u>	<u> 274</u>	<u> (274)</u>
Excess:				
Revenue over (under) expenditures	50	50	24	(26)
Fund balance (deficit) January 1	<u> 9,882</u>	<u> 9,882</u>	<u> 9,882</u>	<u> -0-</u>
Fund balance (deficit) December 31	<u><u> 9,932</u></u>	<u><u> 9,932</u></u>	<u><u> 9,906</u></u>	<u><u> (26)</u></u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF REVENUES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes and Assessments:				
General property taxes	\$ 26,000	\$ 26,000	\$ 32,441	\$ 6,441
Total Taxes and Assessments	<u>26,000</u>	<u>26,000</u>	<u>32,441</u>	<u>6,441</u>
Intergovernmental:				
Metro authority			2,632	
State shared revenues			74,844	
State swamp tax			<u>20,567</u>	
Total Intergovernmental	<u>90,000</u>	<u>90,000</u>	<u>98,043</u>	<u>8,043</u>
Charges for Services:				
Fees			10,192	
Dust control			3,815	
Rent			<u>1,990</u>	
Total Charges for Services	<u>10,100</u>	<u>10,100</u>	<u>15,997</u>	<u>5,897</u>
Interest	<u>1,000</u>	<u>1,000</u>	<u>5,022</u>	<u>4,022</u>
Other:				
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>434</u>	<u>(1,466)</u>
Total Other	<u>1,900</u>	<u>1,900</u>	<u>434</u>	<u>(1,466)</u>
Total Revenue	<u>\$ 129,000</u>	<u>\$ 129,000</u>	<u>\$ 151,937</u>	<u>\$ 22,937</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government				
Township Board:				
Salaries-board	\$	\$	\$ 2,400	\$
Payroll taxes			1,158	
Retirement			1,950	
Insurance			5,177	
Legal and professional			190	
Telephone			151	
Printing and publishing			20	
Office supplies			471	
Dues and fees			583	
Miscellaneous			2	
Total Township Board	<u>16,000</u>	<u>16,000</u>	<u>12,102</u>	<u>3,898</u>
Township Supervisor:				
Salary			<u>7,080</u>	
Total Township Supervisor	<u>7,500</u>	<u>7,500</u>	<u>7,080</u>	<u>420</u>
Township Assessor:				
Notices and postage			624	
Professional services			13,497	
Programming and support			<u>1,696</u>	
Total Township Assessor	<u>14,000</u>	<u>14,000</u>	<u>15,817</u>	<u>(1,817)</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Election Board:				
Printing and Publishing	\$	\$	\$ -0-	\$
Total Election Board	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Township Clerk:				
Salary - clerk			8,030	
Salary - deputy			446	
Mileage			64	
Office supplies			216	
Printing and publishing			259	
Programming and support			389	
Legal and professional			636	
Repairs and maintenance			<u>188</u>	
Total Township Clerk	<u>12,000</u>	<u>12,000</u>	<u>10,228</u>	<u>1,772</u>
Township Treasurer:				
Salary - treasurer			8,110	
Salary - deputy			894	
Mileage			559	
Meals			12	
Office supplies			768	
Telephone			39	
Computer support			<u>418</u>	
Total Township Treasurer	<u>14,000</u>	<u>14,000</u>	<u>10,800</u>	<u>3,200</u>
Board of Review:				
Salaries			605	
Printing and publishing			<u>31</u>	
Total Board of Review	<u>1,000</u>	<u>1,000</u>	<u>636</u>	<u>364</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Township Hall:				
Maintenance wages	\$	\$	\$ 4,218	\$
Contract services			581	
Office supplies			331	
Operating supplies			314	
Utilities			3,126	
Repairs and maintenance			250	
Total Township Hall	<u>10,000</u>	<u>10,000</u>	<u>8,820</u>	<u>1,180</u>
Cemetery				
Maintenance wages			1,335	
Contract services			1,013	
Supplies			331	
Grave openings			2,967	
Total Cemetery	<u>5,000</u>	<u>5,000</u>	<u>5,646</u>	<u>(646)</u>
Total General Government	<u>80,000</u>	<u>80,000</u>	<u>71,129</u>	<u>8,871</u>
Public Safety:				
Fire protection	<u>18,000</u>	<u>18,000</u>	<u>15,043</u>	<u>2,957</u>
Total Public Safety	<u>18,000</u>	<u>18,000</u>	<u>15,043</u>	<u>2,957</u>
Public Works:				
Transfer sight			18,634	
Street lights			909	
Dust control			3,984	
Recycling			335	
Total Public Works	<u>27,000</u>	<u>27,000</u>	<u>23,862</u>	<u>3,138</u>
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Expenditures	<u>127,000</u>	<u>127,000</u>	<u>110,034</u>	<u>16,966</u>
Other Financing Uses:				
Transfer out	<u>2,000</u>	<u>2,000</u>	<u>29,500</u>	<u>(27,500)</u>
Total Expenditures and Other Financing Uses	<u>\$ 129,000</u>	<u>\$ 129,000</u>	<u>\$ 139,534</u>	<u>\$ (10,534)</u>